

THE TORONTO STOCK EXCHANGE

28/11/68

FILING STATEMENT NO. 1665.
FILED, DECEMBER 10th, 1968.

THE OVERLAND EXPRESS LIMITED

Full corporate name of Company

Incorporated as Schell Transport Limited under The Companies Act (Ontario) by letters patent dated March 24, 1945.
Particulars of incorporation (e.g., incorporated under Part IV of the Corporations Act, 1953 (Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.

(a) Changes in Capitalization - Subject to shareholder approval at a general meeting to be held December 9, 1968 and to the issue of supplementary letters patent, the existing preference shares will be redesignated as 60¢ cumulative convertible non-callable first preference shares without par value and the authorized common shares will be reclassified, subdivided and changed into 3 non-voting participating second preference shares ("Non-Voting Preference Shares") without par value and one common share without par value; the Non-Voting Preference Shares will be entitled to non-cumulative dividends at the rate of 5¢ per share per annum in priority to any payment of dividends on the common shares; after the declaration in any year of dividends aggregating 5¢ per share on the common shares, all further dividends declared in such year in respect of the Non-Voting Preference Shares and common shares shall be declared and paid in equal amounts without preference or distinction.

(b) Secondary Distribution - Richardson Securities of Canada ("Richardson Securities") proposes to purchase from 12 shareholders named in Schedule "A" up to 500,000 of the Non-Voting Preference Shares to be issued to them upon the issue of the supplementary letters patent referred to in (a) and to distribute such Non-Voting Preference Shares to the public through the facilities of The Toronto Stock Exchange subject to a ruling by the Ontario Securities Commission that the offering and sale of such shares shall be deemed not to be a primary distribution to the public.

The Non-Voting Preference Shares will be offered for sale on a date and at a fixed price to be determined by Richardson Securities and approved by The Toronto Stock Exchange (the "Exchange"). The price shall not exceed the last sale price on the Exchange on the day immediately prior to the day on which the offer is made and any discount shall not exceed the maximum discount allowed by the Exchange. A book will be maintained on the floor of the Exchange from 9:00 a.m. to 9:45 a.m. on the day on which the offer is made for the purpose of receiving subscriptions from other member houses. Richardson Securities may reserve not more than 90% of the offered shares to fill orders of its clients and prior commitments to other member houses. Richardson Securities will have until 4:30 p.m. on the day prior to the distribution the privilege to withdraw or postpone the offering.

The offering price to the public includes a commission of 25¢ per share payable by Richardson Securities to those members of the Exchange who enter purchase orders on the floor of the Exchange for any of the offered shares. Purchasing clients will not be charged any commission.

2. Head office address and any other office address.

Head Office: Wellington Street South,
Woodstock, Ontario.
Postal Address: Box 460, Woodstock, Ontario

3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.

See Schedule "B" on page 4.

4. Share capitalization showing authorized and issued and outstanding capital.

As at November 15, 1968:

	Authorized	Issued
60¢ cumulative non-callable preference shares without par value (convertible share for share into common shares)	102,525	102,525
Common shares	464,475	287,675

5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.

Statement of Deferred Liabilities
as at November 2, 1968

Outstanding as at
November 2, 1968

The Excelsior Life Insurance Company 7% first mortgage on Toronto warehouse due 1978; payable \$1,078. monthly, interest and principal	\$ 89,701
The Excelsior Life Insurance Company 7 1/4% first mortgage on Kitchener warehouse due 1980; payable \$609. monthly, interest and principal	56,718
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Manufacturers & Traders Trust Company 7% first mortgage on Buffalo terminal due 1970; payable \$770. monthly, interest and principal	17,678
Five first mortgages on land acquired for new Toronto terminal bearing interest 7 1/2 - 8% and due at various dates prior to 1974	230,000
Deferred bank loan, secured	400,000
	<u>\$1,365,324</u>

6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.

As at November 15, 1968, 13,600 unissued common shares were reserved for issue upon the exercise of incentive options granted to 9 employees listed in Item 7. These options are exercisable as to 9,600 shares from time to time to December 31, 1969 at the price of \$6.50 per share and as to 4,000 shares from time to time to December 31, 1973 at the price of \$22.25 per share. Subject to the issue of supplementary letters patent referred to in Item 1, each employee optionee will be entitled to receive 3 Non-Voting Preference Shares and one common share upon the exercise of his option to purchase each common share as aforesaid.

The outstanding 60¢ cumulative convertible non-callable preference shares without par value are convertible at any time share for share into common shares of the capital of the Company and, subject to the issue of the supplementary letters patent referred to in Item 1, each common share will be convertible into 3 Non-Voting Preference Shares without par value and one common share.

7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.

The employee incentive options referred to in Item 6 are held by the following employees of the Company:

Alex Belgrade, 509 George Street, Woodstock, Ontario	William A. Reid, 76 Altadore Crescent, Woodstock, Ontario
W. A. Cameron, 84 Riverhead Drive, Rexdale, Ontario	Stephen J. Suske, 150 Fairview Crescent, Woodstock, Ontario
J. Campbell Carruth, 3389 Credit Heights, Drive, Cooksville, Ontario	J. E. Taylor, 484 Wellington Street North, Woodstock, Ontario
R. A. Morgan, 67A Wellington Street South, Woodstock, Ontario	G. A. Wisby, 450 Vincent Street, Woodstock, Ontario
H. W. Rawlings, 109 Riverhead Drive, Rexdale, Ontario	

Reference is made to Schedule "A" for the names and addresses of the shareholders who propose to sell up to 500,000 Non-Voting Preference Shares to Richardson Securities of Canada as referred to in Item 1.

Schedule "A"

	<u>Non-Voting Participating Second Preference Shares</u>		<u>Common shares to be beneficially owned by shareholder following secondary distribution</u>
	<u>To be acquired by shareholder</u>	<u>To be sold to Richardson Securities of Canada for secondary dis- tribution</u>	
** White Wings Projects Limited (a holding company controlled by R.D. Grant) c/o Canada Permanent Trust Company, 320 Bay Street, Toronto	120,000	70,000	40,000
* R. D. Grant, 21 Ormsby Crescent, Toronto	33,000	30,000	11,000
Penryn Forest Limited (a holding company controlled by Ian S. Waldie) 21 Oriole Gardens, Toronto	60,000	60,000	20,000
* Ian S. Waldie, 21 Oriole Gardens, Toronto	14,853	14,853	5,000
Drax Holdings Limited (a holding company controlled by F.D.Lace) c/o Mrs. Z. Donovan, 220 Bay Street, Toronto	36,000	10,000	12,000
* F. D. Lace, 15 Hillholm Road, Toronto	39,000	30,000	13,000
G. T. Heintzman, 27 Old Forest Hill Road, Toronto	60,000	30,000	15,000
C. P. Fell, 52 Park Lane Circle, Don Mills	6,000	6,000	2,000
W. J. C. Wright, 32 Hillcrest Drive, Galt	27,000	10,000	9,000
Mrs. Briar Hahn, c/o M. J. Hahn, Shepherd Boats Ltd., Niagara-on-the-Lake, Ontario	18,000	6,000	6,000
Mrs. Mary Elizabeth Hume, R. R. # 3, St. Catharines, Ontario	18,000	5,000	6,000
** Central Cartage Company, 3399 East McNicholos Road, Detroit, Michigan	189,000	187,000	63,000

* Directors of The Overland Express Limited

** Beneficial owners of over 10% of outstanding common

SCHEDULE "B"

DIRECTORS

Name	Chief Occupation	Address
Frederick A. Beck, Q.C.	Senior Partner, White, Bristol, Beck, & Phipps, Barristers and Solicitors, Toronto	115 Strathallan Blvd., Toronto 12, Ontario
J. Campbell Carruth	President of the Company since October 1968 and prior thereto, General Manager Motorways (Ontario) Limited	3389 Credit Heights Drive, Cooksville, Ontario
Robert D. Grant	Chairman of the Board of the Company since October 1968 and prior thereto, President of the Company	21 Ormsby Crescent, Toronto 7, Ontario
Frank D. Lace	President, Matthews & Company Limited, Investment Dealers, Toronto	15 Hillholme Road, Toronto 7, Ontario
William A. Reid	Secretary-Treasurer of the Company	76 Altadore Crescent, Woodstock, Ontario
Stephen J. Suske	Vice-President and General Manager of the Company	150 Fairview Crescent, Woodstock, Ontario
Ian S. Waldie	Executive	21 Oriole Gardens, Toronto 7, Ontario

OFFICERS

Robert D. Grant	Chairman of the Board	21 Ormsby Crescent, Toronto 7, Ontario
J. Campbell Carruth	President	3389 Credit Heights Drive, Cooksville, Ontario
Stephen J. Suske	Vice-President & General Manager	150 Fairview Crescent, Woodstock, Ontario
William A. Reid	Secretary-Treasurer	76 Altadore Crescent, Woodstock, Ontario

FINANCIAL STATEMENTS

AUDITORS' REPORT

To the Shareholders
The Overland Express Limited.

We have examined the consolidated balance sheet of The Overland Express Limited and subsidiary companies as at November 2, 1968 and the consolidated statements of income, retained earnings and source and application of funds for the fifty-three week period then ended. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at November 2, 1968, the results of their operations and the source of application of their funds for the fifty-three week period then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

London, Canada.
November 21, 1968.

Clarkson, Gordon & Co.
Chartered Accountants.

THE OVERLAND EXPRESS LIMITED
and subsidiary companies

STATEMENT OF CONSOLIDATED RETAINED EARNINGS

FIFTY-THREE WEEK PERIOD ENDED NOVEMBER 2, 1968
(with comparative figures for 1967 - fifty-two weeks)

	<u>1968</u>	<u>1967</u>
Balance, beginning of period	\$2,581,381	\$2,216,600
Add consolidated net income for period	940,447	533,141
	<u>3,521,828</u>	<u>2,749,741</u>
Deduct dividends paid on:		
Preference shares	89,505	100,200
Common shares	129,365	68,160
	<u>218,870</u>	<u>168,360</u>
Write-off of cost of franchise acquired during period	65,300	
	<u>284,170</u>	<u>168,360</u>
Balance, end of period	<u>\$3,237,658</u>	<u>\$2,581,381</u>

The accompanying "Notes to the Consolidated Financial Statements" should be read in conjunction with this statement.

CONSOLIDATED STATEMENT OF INCOME

FIFTY-THREE WEEK PERIOD ENDED NOVEMBER 2, 1968
(with comparative figures for 1967 - fifty-two weeks)

	<u>1968</u>	<u>1967</u>
Net freight revenue (total sales)	\$12,787,119	\$9,858,400
Operating expenses excluding depreciation	<u>9,820,515</u>	<u>7,979,188</u>
Operating profit for period before deducting depreciation and interest on bank loans and mortgages	<u>2,966,604</u>	<u>1,879,212</u>
Deduct:		
Depreciation	875,833	656,234
Interest on deferred bank loans and mortgages	52,324	87,837
	<u>928,157</u>	<u>744,071</u>
Income for period before taxes on income	2,038,447	1,135,141
Taxes on income	<u>1,098,000</u>	<u>602,000</u>
Consolidated net income for period	<u>\$ 940,447</u>	<u>\$ 533,141</u>

The accompanying "Notes to the Consolidated Financial Statements" should be read in conjunction with this statement.

STATEMENT OF CONSOLIDATED SOURCE AND APPLICATION OF FUNDS

FIFTY-THREE WEEK PERIOD ENDED NOVEMBER 2, 1968
(with comparative figures for 1967 - fifty-two weeks)

	<u>1968</u>	<u>1967</u>	<u>Increase or (decrease)</u>
Working capital, beginning of period	\$ 525,162	\$ 314,912	\$ 210,250
Source of funds:			
Operations -			
Consolidated net income for period	940,447	533,141	407,306
Add depreciation	875,833	656,234	219,599
	<u>1,816,280</u>	<u>1,189,375</u>	626,905
Proceeds from sale of assets	3,205	7,829	(4,624)
Deferred bank loans and mortgages	523,000		523,000
Proceeds from issue of capital stock	46,800	88,400	(41,600)
	<u>2,389,285</u>	<u>1,285,604</u>	<u>1,103,681</u>
Application of funds:			
Dividends paid to shareholders	218,870	168,360	50,510
Investment in automotive equipment	1,126,601	713,125	413,476
Investment in other fixed assets	1,149,048	93,294	1,055,754
Franchise purchased	65,300		65,300
Reduction of deferred debt	47,284	100,575	(53,291)
	<u>2,607,103</u>	<u>1,075,354</u>	<u>1,531,749</u>
Working capital, end of period	<u>\$ 307,344</u>	<u>\$ 525,162</u>	<u>\$ (217,818)</u>

THE OVERLAND EXPRESS LIMITED
and subsidiary companies

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOVEMBER 2, 1968

1. Deferred bank loans and mortgages payable

Particulars of deferred bank loans and mortgages are as follows:

	November <u>2, 1968</u>	October <u>28, 1967</u>
Deferred bank loans repayable \$5,000 per month	\$ 400,000	\$120,000
6% - 8% mortgages due 1970 - 1985	<u>978,324</u>	<u>774,808</u>
	1,378,324	894,808
Principal repayments due within one year	<u>108,200</u>	<u>100,400</u>
	<u>\$1,270,124</u>	<u>\$794,408</u>

Payments required on mortgages in future years are as follows:

1969	\$ 48,800
1970	276,600
1971	42,600
1972	31,300
1973	238,000
Beyond	<u>341,024</u>
	<u>\$978,324</u>

2. Capital stock

As at November 2, 1968 there were options outstanding to certain officers and other employees on 8,800 common shares of capital stock at \$6.50 per share to January 1, 1970, and on 4,000 common shares of capital stock at \$22.25 per share, exercisable at a maximum of 800 shares per year for the five years 1970 to 1974 inclusive.

During the period ended November 2, 1968 options were exercised on 7,200 common shares for \$46,800 cash and in addition 63,575 preference shares were converted into 63,575 common shares under the 1:1 conversion privileges attaching to the preference shares. The number of authorized preference shares decreased and the number of authorized common shares increased by 63,575 as a result of these conversions.

Subject to shareholder approval subsequent to the end of the period it is the intention of the company to apply for supplementary letters patent to subdivide the authorized and issued common shares into three non-voting 5¢ participating second preference shares of no par value and one common share of no par value and to redesignate the 60¢ preference shares presently authorized and issued as first preference shares.

3. Directors' and officers' remuneration

The aggregate direct remuneration paid or payable by the company and its subsidiaries to the directors and senior officers during the period ended November 2, 1968 amounted to \$179,175 (\$127,210 in 1967).

4. Pensions

As at November 2, 1968 the companies liability in respect of past service pension benefits not provided for in the attached consolidated financial statements amounted to \$55,257. It is the intention of the companies to provide for and pay this liability in equal annual instalments of approximately \$13,800 over the next four fiscal periods. The cost of past service pension benefits paid for and charged to expense in 1968 and 1967 amounted to \$13,814. All other pension costs are provided and paid for in the period in which such costs are incurred.

5. Commitments

As at November 2, 1968 the companies have entered into agreements to acquire additional land at a cost of \$157,000 and the cost to complete a terminal building under construction amounted to \$231,000, the liability for which has not been reflected in the attached consolidated financial statements.

8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	Not applicable
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	Continued operation and development of existing truck transport business
10. Brief statement of company's chief development work during past year.	In addition to the carriage of an increased volume of traffic the Company acquired a substantial portion of the assets of Stark Truck Service (London) Limited referred to in item 19.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Not applicable
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not applicable
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	Not applicable
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Not applicable
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<u>Common Shares as of November 20, 1968</u> Francis I. duPont & Co., 630 Dorchester Boulevard West, Montreal, P.Q. 59,493 White Wings Projects Limited, c/o Canada Permanent Trust Company, 320 Bay Street, Toronto, Ontario 40,000 Penryn Forest Limited, c/o Payton, Biggs & Graham, 250 University Avenue, Toronto, Ontario 20,000 Drax Holdings Limited, 220 Bay Street, Toronto, Ontario 12,000 Economic Investment Trust Limited, 2200 - 44 King Street West, Toronto, Ontario 10,000 <u>60¢ cumulative convertible non-callable first preference shares as of November 19, 1968</u> Dominion-Scottish Investments Limited, 2200 - 44 King Street West, Toronto, Ontario 5,900 Matthews & Company Limited, 220 Bay Street, Toronto, Ontario 5,049 Canadian Motorways Limited, 1153 Martingrove Road, Rexdale, Ontario 5,000 George T. Heintzman, c/o Matthews & Company Limited, 220 Bay Street, Toronto, Ontario 4,700 Ian S. Waldie, c/o Matthews & Company Limited, 220 Bay Street, Toronto, Ontario 2,100

16. Names; and addresses of persons whose shareholdings are large enough to materially affect control of the company.	White Wings Projects Limited, c/o Canada Permanent Trust Company, 320 Bay Street, Toronto 1, Ontario. R. D. Grant, 21 Ormsby Crescent, Toronto 7, Ontario. Penryn Forest Limited, 21 Oriole Gardens, Toronto 7, Ontario. Ian S. Waldie, 21 Oriole Gardens, Toronto 7, Ontario.	Drax Holdings Limited, c/o Mrs. Z. Donovan, 220 Bay Street, Toronto 1, Ontario. F. D. Lacey, 15 Hillholme Road, Toronto 7, Ontario G. T. Heintzman, 27 Old Forest Hill Road, Toronto 7, Ontario.										
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	<table><tr><td></td><td><u>Cost</u></td></tr><tr><td>Hodgson Taylor Co. Limited (machinery movers)</td><td>\$70,000.00</td></tr><tr><td>Oxford Tire Limited</td><td>156.00</td></tr><tr><td>G. W. A. Inc.</td><td>15.00</td></tr><tr><td></td><td><u>\$70,171.00</u></td></tr></table>		<u>Cost</u>	Hodgson Taylor Co. Limited (machinery movers)	\$70,000.00	Oxford Tire Limited	156.00	G. W. A. Inc.	15.00		<u>\$70,171.00</u>	
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Oxford Tire Limited	156.00											
G. W. A. Inc.	15.00											
	<u>\$70,171.00</u>											
18. Brief statement of any lawsuits pending or in process against company or its properties.	None											
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	By agreement dated May 3, 1968 the Company acquired a substantial portion of the business and assets (including licences) of Stark Truck Service (London) Limited for \$98,500. Through this acquisition the operations of the Company have been extended in the London, Aylmer, Tillsonburg, Delhi, Atherton and Simcoe areas. In April, 1968, the Company entered into an agreement with W. J. C. Kaufman Limited for the construction of a new terminal at Windsor, Ontario, at an estimated cost of \$750,000. In October, 1968, the Company acquired 20 acres and agreed to acquire an additional 10 acres of land situate in the vicinity of Highway 401 and Dixie Road, Etobicoke, for an aggregate purchase price of \$320,000, these lands to be used for the construction of a new Toronto terminal.											
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	There are no shares of the Company in the course of primary distribution to the public except for up to 500,000 Non-Voting Preference Shares in respect of which this Filing Statement is filed. This Filing Statement is not to be construed as a prospectus or as a report by or on behalf of the Company or any signatory thereto or any person for the purpose of inducing any person to purchase shares of the Company or to constitute an offer or solicitation for purchase in respect of any such shares. The signatories to this Filing Statement consider that there are no other material facts in respect of the matters referred to in Item 1 hereof or in respect of the Company's affairs not disclosed by this Filing Statement or other information filed therewith.											

CERTIFICATE OF THE COMPANY

DATED November 26, 1968.

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

THE OVERLAND EXPRESS LIMITED

"R.D. Grant"

Per:

President

CORPORATE SEAL

"W. A. Reid"

Per:

Secretary

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

RICHARDSON SECURITIES OF CANADA

"H.R. Bennett"

Per:

H.R. Bennett

THE TORONTO STOCK EXCHANGE

28/11/68

FILING STATEMENT NO. 1665.
FILED, DECEMBER 10th, 1968.

THE OVERLAND EXPRESS LIMITED

Full corporate name of Company
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Companies Act (Ontario) by letters patent dated March 24, 1945.
Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

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2. Head office address and any other office address.

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as at November 2, 1968

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The outstanding 60¢ cumulative convertible non-callable preference shares without par value are convertible at any time share for share into common shares of the capital of the Company and, subject to the issue of the supplementary letters patent referred to in Item 1, each common share will be convertible into 3 Non-Voting Preference Shares without par value and one common share.

7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.

The employee incentive options referred to in Item 6 are held by the following employees of the Company:

Alex Belgrade, 509 George Street, Woodstock, Ontario	William A. Reid, 76 Altadore Crescent, Woodstock, Ontario
W. A. Cameron, 84 Riverhead Drive, Rexdale, Ontario	Stephen J. Suske, 150 Fairview Crescent, Woodstock, Ontario
J. Campbell Carruth, 3389 Credit Heights, Drive, Cooksville, Ontario	J. E. Taylor, 484 Wellington Street North, Woodstock, Ontario
R. A. Morgan, 67A Wellington Street South, Woodstock, Ontario	G. A. Wisby, 450 Vincent Street, Woodstock, Ontario
H. W. Rawlings, 109 Riverhead Drive, Rexdale, Ontario	

Reference is made to Schedule "A" for the names and addresses of the shareholders who propose to sell up to 500,000 Non-Voting Preference Shares to Richardson Securities of Canada as referred to in Item 1.

Schedule "A"

	<u>Non-Voting Participating Second Preference Shares</u>		<u>Common shares to be beneficially owned by shareholder following secondary distribution</u>
	<u>To be acquired by shareholder</u>	<u>To be sold to Richardson Securities of Canada for secondary dis- tribution</u>	
** White Wings Projects Limited (a holding company controlled by R.D. Grant) c/o Canada Permanent Trust Company, 320 Bay Street, Toronto	120,000	70,000	40,000
* R. D. Grant, 21 Ormsby Crescent, Toronto	33,000	30,000	11,000
Penryn Forest Limited (a holding company controlled by Ian S. Waldie) 21 Oriole Gardens, Toronto	60,000	60,000	20,000
* Ian S. Waldie, 21 Oriole Gardens, Toronto	14,853	14,853	5,000
Drax Holdings Limited (a holding company controlled by F.D.Lace) c/o Mrs. Z. Donovan, 220 Bay Street, Toronto	36,000	10,000	12,000
* F. D. Lace, 15 Hillholm Road, Toronto	39,000	30,000	13,000
G. T. Heintzman, 27 Old Forest Hill Road, Toronto	60,000	30,000	15,000
C. P. Fell, 52 Park Lane Circle, Don Mills	6,000	6,000	2,000
W. J. C. Wright, 32 Hillcrest Drive, Galt	27,000	10,000	9,000
Mrs. Briar Hahn, c/o M. J. Hahn, Shepherd Boats Ltd., Niagara-on-the-Lake, Ontario	18,000	6,000	6,000
Mrs. Mary Elizabeth Hume, R. R. # 3, St. Catharines, Ontario	18,000	5,000	6,000
** Central Cartage Company, 3399 East McNicholos Road, Detroit, Michigan	189,000	187,000	63,000

* Directors of The Overland Express Limited

** Beneficial owners of over 10% of outstanding common

SCHEDULE "B"

DIRECTORS

<u>Name</u>	<u>Chief Occupation</u>	<u>Address</u>
Frederick A. Beck, Q.C.	Senior Partner, White, Bristol, Beck, & Phipps, Barristers and Solicitors, Toronto	115 Strathallan Blvd., Toronto 12, Ontario
J. Campbell Carruth	President of the Company since October 1968 and prior thereto, General Manager Motorways (Ontario) Limited	3389 Credit Heights Drive, Cooksville, Ontario
Robert D. Grant	Chairman of the Board of the Company since October 1968 and prior thereto, President of the Company	21 Ormsby Crescent, Toronto 7, Ontario
Frank D. Lace	President, Matthews & Company Limited, Investment Dealers, Toronto	15 Hillholme Road, Toronto 7, Ontario
William A. Reid	Secretary-Treasurer of the Company	76 Altadore Crescent, Woodstock, Ontario
Stephen J. Suske	Vice-President and General Manager of the Company	150 Fairview Crescent, Woodstock, Ontario
Ian S. Waldie	Executive	21 Oriole Gardens, Toronto 7, Ontario

OFFICERS

Robert D. Grant	Chairman of the Board	21 Ormsby Crescent, Toronto 7, Ontario
J. Campbell Carruth	President	3389 Credit Heights Drive, Cooksville, Ontario
Stephen J. Suske	Vice-President & General Manager	150 Fairview Crescent, Woodstock, Ontario
William A. Reid	Secretary-Treasurer	76 Altadore Crescent, Woodstock, Ontario

FINANCIAL STATEMENTS

AUDITORS' REPORT

To the Shareholders
The Overland Express Limited.

We have examined the consolidated balance sheet of The Overland Express Limited and subsidiary companies as at November 2, 1968 and the consolidated statements of income, retained earnings and source and application of funds for the fifty-three week period then ended. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at November 2, 1968, the results of their operations and the source of application of their funds for the fifty-three week period then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

London, Canada.
November 21, 1968.

Clarkson, Gordon & Co.
Chartered Accountants.

CONSOLIDATED BALANCE SHEET

(with comparative figures for 1967)

ASSETS

On behalf of the Board

Director

The accompanying "Notes to the Consolidated Financial Statements" should be read in conjunction with this statement.

THE OVERLAND EXPRESS LIMITED
and subsidiary companies

STATEMENT OF CONSOLIDATED RETAINED EARNINGS

FIFTY-THREE WEEK PERIOD ENDED NOVEMBER 2, 1968
(with comparative figures for 1967 - fifty-two weeks)

	<u>1968</u>	<u>1967</u>
Balance, beginning of period	\$2,581,381	\$2,216,600
Add consolidated net income for period	940,447 <u>3,521,828</u>	533,141 <u>2,749,741</u>
Deduct dividends paid on:		
Preference shares	89,505	100,200
Common shares	129,365 <u>218,870</u>	68,160 <u>168,360</u>
Write-off of cost of franchise acquired during period	65,300 <u>284,170</u>	<u>168,360</u>
Balance, end of period	<u>\$3,237,658</u>	<u>\$2,581,381</u>

The accompanying "Notes to the Consolidated Financial Statements"
should be read in conjunction with this statement.

CONSOLIDATED STATEMENT OF INCOME

FIFTY-THREE WEEK PERIOD ENDED NOVEMBER 2, 1968
(with comparative figures for 1967 - fifty-two weeks)

	<u>1968</u>	<u>1967</u>
Net freight revenue (total sales)	\$12,787,119	\$9,858,400
Operating expenses excluding depreciation	<u>9,820,515</u>	<u>7,979,188</u>
Operating profit for period before deducting depreciation and interest on bank loans and mortgages	<u>2,966,604</u>	<u>1,879,212</u>
Deduct:		
Depreciation	875,833	656,234
Interest on deferred bank loans and mortgages	52,324 <u>928,157</u>	87,837 <u>744,071</u>
Income for period before taxes on income	2,038,447	1,135,141
Taxes on income	<u>1,098,000</u>	<u>602,000</u>
Consolidated net income for period	<u>\$ 940,447</u>	<u>\$ 533,141</u>

The accompanying "Notes to the Consolidated Financial Statements"
should be read in conjunction with this statement.

STATEMENT OF CONSOLIDATED SOURCE AND APPLICATION OF FUNDS

FIFTY-THREE WEEK PERIOD ENDED NOVEMBER 2, 1968
(with comparative figures for 1967 - fifty-two weeks)

	<u>1968</u>	<u>1967</u>	<u>Increase or (decrease)</u>
Working capital, beginning of period	\$ 525,162	\$ 314,912	\$ 210,250
Source of funds:			
Operations -			
Consolidated net income for period	940,447	533,141	407,306
Add depreciation	875,833	656,234	219,599
	1,816,280	1,189,375	626,905
Proceeds from sale of assets	3,205	7,829	(4,624)
Deferred bank loans and mortgages	523,000		523,000
Proceeds from issue of capital stock	46,800	88,400	(41,600)
	<u>2,389,285</u>	<u>1,285,604</u>	<u>1,103,681</u>
Application of funds:			
Dividends paid to shareholders	218,870	168,360	50,510
Investment in automotive equipment	1,126,601	713,125	413,476
Investment in other fixed assets	1,149,048	93,294	1,055,754
Franchise purchased	65,300		65,300
Reduction of deferred debt	47,284	100,575	(53,291)
	<u>2,607,103</u>	<u>1,075,354</u>	<u>1,531,749</u>
Working capital, end of period	<u>\$ 307,344</u>	<u>\$ 525,162</u>	<u>\$ (217,818)</u>

THE OVERLAND EXPRESS LIMITED
and subsidiary companies

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOVEMBER 2, 1968

1. Deferred bank loans and mortgages payable

Particulars of deferred bank loans and mortgages are as follows:

	November 2, 1968	October 28, 1967
Deferred bank loans repayable \$5,000 per month	\$ 400,000	\$120,000
6% - 8% mortgages due 1970 - 1985	978,324	774,808
	<u>1,378,324</u>	<u>894,808</u>
Principal repayments due within one year	108,200	100,400
	<u>\$1,270,124</u>	<u>\$794,408</u>

Payments required on mortgages in future years are as follows:

1969	\$ 48,800
1970	276,600
1971	42,600
1972	31,300
1973	238,000
Beyond	<u>341,024</u>
	<u>\$978,324</u>

2. Capital stock

As at November 2, 1968 there were options outstanding to certain officers and other employees on 8,800 common shares of capital stock at \$6.50 per share to January 1, 1970, and on 4,000 common shares of capital stock at \$22.25 per share, exercisable at a maximum of 800 shares per year for the five years 1970 to 1974 inclusive.

During the period ended November 2, 1968 options were exercised on 7,200 common shares for \$46,800 cash and in addition 63,575 preference shares were converted into 63,575 common shares under the 1:1 conversion privileges attaching to the preference shares. The number of authorized preference shares decreased and the number of authorized common shares increased by 63,575 as a result of these conversions.

Subject to shareholder approval subsequent to the end of the period it is the intention of the company to apply for supplementary letters patent to subdivide the authorized and issued common shares into three non-voting 5¢ participating second preference shares of no par value and one common share of no par value and to redesignate the 60¢ preference shares presently authorized and issued as first preference shares.

3. Directors' and officers' remuneration

The aggregate direct remuneration paid or payable by the company and its subsidiaries to the directors and senior officers during the period ended November 2, 1968 amounted to \$179,175 (\$127,210 in 1967).

4. Pensions

As at November 2, 1968 the companies liability in respect of past service pension benefits not provided for in the attached consolidated financial statements amounted to \$55,257. It is the intention of the companies to provide for and pay this liability in equal annual instalments of approximately \$13,800 over the next four fiscal periods. The cost of past service pension benefits paid for and charged to expense in 1968 and 1967 amounted to \$13,814. All other pension costs are provided and paid for in the period in which such costs are incurred.

5. Commitments

As at November 2, 1968 the companies have entered into agreements to acquire additional land at a cost of \$157,000 and the cost to complete a terminal building under construction amounted to \$231,000, the liability for which has not been reflected in the attached consolidated financial statements.

8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	Not applicable
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	Continued operation and development of existing truck transport business
10. Brief statement of company's chief development work during past year.	In addition to the carriage of an increased volume of traffic the Company acquired a substantial portion of the assets of Stark Truck Service (London) Limited referred to in item 19.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Not applicable
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not applicable
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	Not applicable
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Not applicable
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<u>Common Shares as of November 20, 1968</u> Francis I. duPont & Co., 630 Dorchester Boulevard West, Montreal, P.Q. 59,493 White Wings Projects Limited, c/o Canada Permanent Trust Company, 320 Bay Street, Toronto, Ontario 40,000 Penryn Forest Limited, c/o Payton, Biggs & Graham, 250 University Avenue, Toronto, Ontario 20,000 Drax Holdings Limited, 220 Bay Street, Toronto, Ontario 12,000 Economic Investment Trust Limited, 2200 - 44 King Street West, Toronto, Ontario 10,000 60¢ cumulative convertible non-callable first preference shares as of November 19, 1968 Dominion-Scottish Investments Limited, 2200 - 44 King Street West, Toronto, Ontario 5,900 Matthews & Company Limited, 220 Bay Street, Toronto, Ontario 5,049 Canadian Motorways Limited, 1153 Martingrove Road, Rexdale, Ontario 5,000 George T. Heintzman, c/o Matthews & Company Limited, 220 Bay Street, Toronto, Ontario 4,700 Ian S. Waldie, c/o Matthews & Company Limited, 220 Bay Street, Toronto, Ontario 2,100

16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	White Wings Projects Limited, c/o Canada Permanent Trust Company, 320 Bay Street, Toronto 1, Ontario. R. D. Grant, 21 Ormsby Crescent, Toronto 7, Ontario. Penryn Forest Limited, 21 Oriole Gardens, Toronto 7, Ontario. Ian S. Waldie, 21 Oriole Gardens, Toronto 7, Ontario.	Drax Holdings Limited, c/o Mrs. Z. Donovan, 220 Bay Street, Toronto 1, Ontario. F. D. Lace, 15 Hillholme Road, Toronto 7, Ontario G. T. Heintzman, 27 Old Forest Hill Road, Toronto 7, Ontario.										
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	<table><tr><td></td><td><u>Cost</u></td></tr><tr><td>Hodgson Taylor Co. Limited (machinery movers)</td><td>\$70,000.00</td></tr><tr><td>Oxford Tire Limited</td><td>156.00</td></tr><tr><td>G. W. A. Inc.</td><td>15.00</td></tr><tr><td></td><td><u>\$70,171.00</u></td></tr></table>		<u>Cost</u>	Hodgson Taylor Co. Limited (machinery movers)	\$70,000.00	Oxford Tire Limited	156.00	G. W. A. Inc.	15.00		<u>\$70,171.00</u>	
	<u>Cost</u>											
Hodgson Taylor Co. Limited (machinery movers)	\$70,000.00											
Oxford Tire Limited	156.00											
G. W. A. Inc.	15.00											
	<u>\$70,171.00</u>											
18. Brief statement of any lawsuits pending or in process against company or its properties.	None											
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	By agreement dated May 3, 1968 the Company acquired a substantial portion of the business and assets (including licences) of Stark Truck Service (London) Limited for \$98,500. Through this acquisition the operations of the Company have been extended in the London, Aylmer, Tillsonburg, Delhi, Atherton and Simcoe areas. In April, 1968, the Company entered into an agreement with W. J. C. Kaufman Limited for the construction of a new terminal at Windsor, Ontario, at an estimated cost of \$750,000. In October, 1968, the Company acquired 20 acres and agreed to acquire an additional 10 acres of land situate in the vicinity of Highway 401 and Dixie Road, Etobicoke, for an aggregate purchase price of \$320,000, these lands to be used for the construction of a new Toronto terminal.											
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	There are no shares of the Company in the course of primary distribution to the public except for up to 500,000 Non-Voting Preference Shares in respect of which this Filing Statement is filed. This Filing Statement is not to be construed as a prospectus or as a report by or on behalf of the Company or any signatory thereto or any person for the purpose of inducing any person to purchase shares of the Company or to constitute an offer or solicitation for purchase in respect of any such shares. The signatories to this Filing Statement consider that there are no other material facts in respect of the matters referred to in Item 1 hereof or in respect of the Company's affairs not disclosed by this Filing Statement or other information filed therewith.											

CERTIFICATE OF THE COMPANY

DATED November 26, 1968.

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

THE OVERLAND EXPRESS LIMITED

"R.D. Grant" Per: [Signature] CORPORATE SEAL
President

"W.A. Reid" Per: [Signature] Secretary

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

RICHARDSON SECURITIES OF CANADA

"H.R. Bennett" Per: [Signature]

